

Electronically Filed February 8, 2023

BRETT A. AXELROD, ESQ.
Nevada Bar No. 5859
NICHOLAS A. KOFFROTH, ESQ.
Nevada Bar No. 16264
ZACHARY T. WILLIAMS, ESQ.
Nevada Bar No. 16023
FOX ROTHSCHILD LLP
1980 Festival Plaza Drive, Suite 700
Las Vegas, Nevada 89135
Telephone: (702) 262-6899
Facsimile: (702) 597-5503
Email: baxelrod@foxrothschild.com
nkoffroth@foxrothschild.com
zwilliams@foxrothschild.com
[Proposed] Counsel for Debtor

UNITED STATES BANKRUPTCY COURT

DISTRICT OF NEVADA

In re

CASH CLOUD, INC.,
dba COIN CLOUD, INC.

Debtor.

Case No. BK-23-10453-mkn

Chapter 11

**DECLARATION OF PAUL HUYGENS
IN SUPPORT OF MOTION FOR
INTERIM AND FINAL ORDERS:
(I) AUTHORIZING DEBTOR TO
OBTAIN POST-PETITION SENIOR
SECURED, SUPERPRIORITY
FINANCING; (II) GRANTING LIENS
AND SUPERPRIORITY CLAIMS;
(III) MODIFYING THE AUTOMATIC
STAY; (IV) SCHEDULING FINAL
HEARING; AND (V) GRANTING
RELATED RELIEF**

Hearing Date: OST PENDING

Hearing Time: OST PENDING

FOX ROTHSCHILD LLP
1980 Festival Plaza Drive, Suite 700
Las Vegas, Nevada 89135
(702) 262-6899
(702) 597-5503 (fax)

I, Paul Huygens, declare under penalty of perjury as follows:

1. I am over the age of 18, am mentally competent, have personal knowledge of the facts in this matter, except where stated as based upon information and belief, and if called upon to testify, could and would do so.

2. I make this Declaration in support of the *Motion for Interim and Final Orders (I) Authorizing Debtor to Obtain Post-Petition Senior Secured, Superpriority Financing; (II) Granting Liens and Superpriority Claims; (III) Modifying the Automatic Stay; (IV) Scheduling Final Hearing; and (V) Granting Related Relief* (the “Motion”)¹ filed by Cash Cloud, Inc. dba Coin Cloud (the “Debtor”).

3. I am a principal of Province, LLC (“Province”). Province’s professionals have extensive experience and a national reputation in providing the type of services required by Debtor in this Chapter 11 Case. With a breadth of experience in complex restructuring matters and finance, its professionals advise debtors, shareholders, equity committees, lenders, and creditors in Chapter 11 proceedings, compiling an impressive track record of debtor and creditor advisory assignments. Province has professionals with the ability to act as expert witnesses in litigation matters on such issues as economic damages and valuation, and has professionals with substantial experience in recovery of assets for creditors in cases similar to this Chapter 11 Case.

4. Attached here as **Exhibit 1** hereto is an analysis Province performed of the approximate net book value of the DCMs owned by the Debtor.

5. As set forth in Exhibit 1, the aggregate net book value of the Enigma DCMs is approximately \$11,292,316, which leaves an equity cushion of approximately \$3,718,617 (apx. 49%) above the Enigma Claim.

6. As set forth in Exhibit 1, the aggregate net book value of the Debtor’s DCMs that are not Enigma DCMs is approximately \$22,937,653, which leaves an equity cushion of approximately \$15,152,872 (apx. 195%) above the Genesis Secured Claim.

¹ Capitalized terms not defined herein shall have the meanings ascribed to them in the Motion.

1 I declare, under penalty of perjury of the laws of the United States of America, that the
2 foregoing statements are true and correct to the best of my knowledge, information and belief.

3 Executed this 8th day of February, 2023.

4
5
6 Paul Huygens
Paul Huygens
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

FOX ROTHSCHILD LLP
1980 Festival Plaza Drive, Suite 700
Las Vegas, Nevada 89135
(702) 262-6899
(702) 597-5503 (fax)

EXHIBIT 1

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

FOX ROTHSCHILD LLP
1980 Festival Plaza Drive, Suite 700
Las Vegas, Nevada 89135
(702) 262-6899
(702) 597-5503 (fax)

Adequate Protection Analysis**Cash Cloud Inc**Machine Useful Life : 1,825 DaysDIP Loan Obligation : \$ 5,000,000**Coin Cloud - Collateral Analysis:**Note : Assumes the useful life for all machines is 5-years from the first date of deployment.Note : Assumes the value of all machines marked "Decommissioned" or "Stolen" is zero.Note : The value of each machine is determined by dividing the unit acquisition price by its estimated useful life in days, multiplied by its estimated remaining useful life in days.Note : The Debtor is in the process of reconciling certain invoices with its books and records, which indicate a higher book value for its machines than set forth in this analysis.Note : This analysis is subject to further diligence by the Debtor as it reconciles its books and records.

Enigma First Lien	Acquisition Price	Avg. Machines Age (Days)	Total Units	Est. Gross Value	Est. Net Value
<u>Operational Units</u>					
Slabb 1.0	\$ 7,387	1,501	4	\$ 29,549	\$ 5,246
Lynna 1.0	7,387	1,825	1	7,387	-
APSM 1.1	5,550	1,226	26	144,300	47,362
ColeKepro 5.0	8,753	525	125	1,094,125	779,324
ColeKepro 3.0	5,729	845	2,995	17,158,355	9,210,951
ColeKepro 1.0	5,550	995	194	1,076,700	489,677
ColeKepro 2.0	5,550	856	201	1,115,550	592,512
ColeKepro 4.0	8,529	591	29	247,341	167,243
Net Book Value - Enigma First Lien			3,575	\$ 20,873,308	\$ 11,292,316
(-) Enigma Security Interest					(7,573,699)
Excess Collateral - Enigma First Lien					\$ 3,718,617
				<u>Enigma Coverage:</u>	0.49x

Adequate Protection Analysis**Cash Cloud Inc**Machine Useful Life : 1,825 DaysDIP Loan Obligation : \$ 5,000,000**Coin Cloud - Collateral Analysis:**Note : Assumes the useful life for all machines is 5-years from the first date of deployment.Note : Assumes the value of all machines marked "Decommissioned" or "Stolen" is zero.Note : The value of each machine is determined by dividing the unit acquisition price by its estimated useful life in days, multiplied by its estimated remaining useful life in days.Note : The Debtor is in the process of reconciling certain invoices with its books and records, which indicate a higher book value for its machines than set forth in this analysis.Note : This analysis is subject to further diligence by the Debtor as it reconciles its books and records.

Genesis First Lien	Acquisition Price	Avg. Machines Age (Days)	Total Units	Est. Gross Value	Est. Net Value
<u>Operational Units</u>					
Slabb 1.0	\$ 7,387	-	-	\$ -	-
Lynna 1.0	7,387	-	-	-	-
APSM 1.1	5,550	1,226	5	27,750	9,108
ColeKepro 5.0	8,753	371	3,237	28,333,461	22,576,730
ColeKepro 3.0	5,729	847	64	366,656	196,487
ColeKepro 1.0	5,550	995	9	49,950	22,717
ColeKepro 2.0	5,550	882	2	11,100	5,736
ColeKepro 4.0	8,529	591	22	187,638	126,874
Net Book Value - Genesis First Lien			3,339	\$ 28,976,555	\$ 22,937,653
(-) Genesis Blanket Lien Interest					(7,784,780)
Excess Collateral - Genesis First Lien					\$ 15,152,872
				<u>Genesis Coverage:</u>	1.95x